

Section 10. Antennas. No Owner shall erect, use, or maintain any outdoor antenna or other device for the transmission or reception of television signals, radio signals, or any form of electromagnetic radiation, whether attached to a building or structure or otherwise without the prior written consent of the Architectural Control Committee; provided, however, Declarant and the Association shall have the right to erect and maintain such devices or authorize the erection and maintenance of such devices. Each Owner acknowledges that this provision benefits all Owners.

Section 11. Vehicles. No motorcycles or other vehicles with external engines shall be permitted to ride along the streets of the subdivision except for the entry and exit from the area. All such vehicles shall be properly muffled so as not to disturb the neighborhood.

Section 12. Miscellaneous.

(a) Owners shall not alter, remove or add improvements to any entry features constructed by the developer on any lot or any easement area associated therewith without the prior written consent of the developer.

(b) No hunting of any kind is allowed anywhere in the subdivision.

(c) No lot shall be used in order to provide access and/or rights of way to any parcel(s) of property.

ARTICLE VII

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot in the Community shall be a member of the Association. If title to a Lot is held by more than one person, each of such persons shall be members. Membership shall be appurtenant to the Lot to which it appertains and shall be transferred automatically. Notwithstanding the above, each Lot shall be entitled to one (1) vote in the Association.

Section 2. Amplification. The provisions of this Article are to be amplified by the Articles of Incorporation and By-Laws of the Association provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners of Lots as set forth herein. In the event of any conflict or inconsistencies among this Declaration, the Articles of Incorporation or By-Laws of the Association, this Declaration and the Articles of Incorporation (in that order) shall prevail.

ARTICLE VIII

ASSESSMENTS

Assessments against the Lot Owners shall be made to raise funds to pay the common expenses of the Property, and contribute a pro rata share of the maintenance of the common areas of the Community and shall be governed by the following provisions:

(a) Liability. Each Lot Owner shall be liable to the Association for all sums as are lawfully assessed by the Association against him or his Lot or Lots in accordance with the terms

and provisions of this Declaration and the Articles of Incorporation and By-Laws. In addition to exercising the remedies provided for herein, the Association may enforce such liability by an action at law to recover all amounts assessed against each unit owner in accordance with the provisions of this Declaration.

(b) Creation of the Lien and Personal Obligation for Assessment. Each owner of any Lot by acceptance of a deed or other conveyance thereof, whether or not it shall be expressed in any such deed or other conveyance, covenants and agrees to pay to the Association assessment which shall be fixed, established, and collected as herein provided; however, nothing contained herein shall be construed to obligate Declarant to pay assessments on lots prior to the sale of said Lots.

(c) Uniform Rate of Assessment. All annual assessments shall be fixed at a uniform rate for all Lots except as follows:

(i) Any common expenses benefiting less than all of the Lots may be specially assessed equitably among all of the Lots so benefited, as determined by the Board;

(ii) Any common expenses occasioned by the conduct of less than all of those entitled to occupy all of the Lots or by the licensees or invitees of any such Lot or Lots may be specially assessed against the Lot or Lots, the conduct of any occupant, licensee or invitee of which occasioned any such common expenses;

(iii) Any common expenses significantly disproportionately benefiting all of the Lots should be assessed equitably among all of the Lots in the Community as determined by the Board;

(iv) Lots owned by Declarant shall not be assessed prior to Declarant's sale of said Lots to third parties.

Nothing contained herein shall permit the Association to specially or disproportionately allocate common expenses for periodic maintenance, repair and replacement of any portion of the common area or the Lots which the Association has the obligation to maintain, repair, or replace.

(d) Purpose. Assessments shall be levied against the Lot Owners and the Lots to defray the common expenses of the Property. The common expenses of the Property shall be all of the expenditures which are made or incurred by or on behalf of the Association in connection with the exercise of its powers and responsibilities, and shall include but not be limited to the following:

(i) Management fee, if any, and expenses of administration of the Association;

(ii) The expense of performing the maintenance and any necessary restoration of roadway landscaping and landscaping on traffic islands;

(iii) Common utility bills and charges for other common services, including but not limited to water and power;

(iv) Premiums for all insurance policies maintained by the Association;

(v) The expenses of performing the maintenance, repair, renovation, restoration and replacement work which is the responsibility of the Association hereunder;

(vi) Such other costs and expenses as may be determined from time to time by the Board of Directors to be common expenses; and

(vii) The creation and maintenance of such reserve funds as are required to be maintained by the Association under Article VIII herein, and such other reserve funds as the Board of Directors shall determine, including, but not limited to, a reserve for repairs and maintenance.

(e) Budget, Payment Dates. No less than thirty (30) days prior to the commencement of each fiscal year of the Association, the Board of Directors shall adopt a budget for the succeeding fiscal year, which budget (i) shall estimate the amount of common expenses which are anticipated to be incurred during such year, and (ii) shall make provision for an adequate reserve fund for maintenance, repair and replacement of those portions of the common elements that must be replaced on a periodic basis. Prior to the commencement of such fiscal year, the Board of Directors shall furnish a copy of such budget to each Lot Owner, together with a written statement of the amount of such common expenses which shall be assessed against such Lot Owner for such fiscal year. Unless otherwise determined by the Board of Directors, such assessment shall be due on January 1 of each year. The Board of Directors shall be authorized to prorate the annual assessment into twelve monthly or four quarterly installments. In addition, any fees, charges, and other amounts payable by any Lot Owner to the Association shall be added to and shall, unless paid at the time the same are incurred or at some other time determined by the Board of Directors, be due and payable as part of the installment of the assessment next coming due.

(f) Special Assessments. If for any reason, including nonpayment of any Lot Owner's assessments, an annual budget adopted by the Board of Directors for any fiscal year proves inadequate to defray the common expenses for such fiscal year, the Board of Directors may, at any time, levy a special assessment to raise the additional funds necessary to defray such common expenses, which special assessment shall be due and payable at such time and in such installments as the Board of Directors shall determine. Additionally, the Board of Directors shall be authorized to levy special assessments under the circumstances described in this Declaration.

(g) Special Assessments for Capital Improvements. In addition to the assessments which shall be levied against the Lot Owners, the Board of Directors shall be authorized, upon the affirmative vote of 75% of the Lot Owners entitled to cast votes to levy a special assessment for the purpose of defraying, in whole or in part, the costs of any capital improvements to be made upon the common elements, or for the costs of making repairs or replacements which are not provided for in then current budget of the Association. Any such special assessments for the capital improvements and repairs shall be payable at such time and in such installments as the Board of Directors shall determine.

(h) Collection. In addition to all other remedies provided by law, the Association may enforce collection of the assessments for which a Lot Owner is liable, together with all other amounts as may be owed by such Lot Owner to the Association, as hereinafter provided.

(i) In the event that any Lot Owner shall fail to pay any installment of any assessment levied against him within ten (10) days after such installment shall be due and payable and within 5 days after written notice is mailed to the Lot Owner, the entire unpaid balance of

such assessment for the remainder of the fiscal year may, at the option of the Board of Directors, be accelerated and be declared immediately due and payable in full, without notice to such Lot Owner.

(ii) In the event that any Lot Owner shall fail to pay within five (5) days after the same shall be due, any amounts due and payable to the Association, such Lot Owner shall be liable for the payment of, and shall pay, in addition to the amounts so due the association:

(a) A late charge equal to the Ten (\$10.00) Dollars or ten (10%) percent of the amount so due, whichever is the greater;

(b) Interest on the amount so due, and the aforesaid late charge appertaining thereto, from the date same were due and payable, at the rate of ten (10%) percent per annum, until paid;

(c) The cost of collection, including court costs, the expenses of sale, any expenses required for the protection and preservation of the Lot, and reasonable attorney's fee actually incurred; and

(d) In the event the Association shall seek to foreclose its lien on the Lot of such owner, the fair rental value of the Lot from the time of the institution of suit until sale of the unit at foreclosure (or until the judgment rendered in such suit is otherwise satisfied).

(iii) All sums lawfully assessed by the Association against any Lot Owner or Property Owner's Association Lot, whether for the share of the common expenses pertaining to that Lot, fines, or otherwise and all reasonable charges made to any Lot Owner or Lot for material furnished or services rendered by the Association at the Owner's request to or on behalf of the Lot Owner or Lot, shall, from the time the sums become due and payable, be the personal obligation of the Lot Owner and constitute a lien in favor of the Association on the Lot prior and superior to all other liens whatsoever except:

(a) Liens for ad valorem taxes on the Lot;

(b) The lien of any first priority mortgage covering the Lot and the lien of any mortgage recorded prior to the recording of the Declaration; or

(c) The lien of any secondary purchase money mortgage covering the Lot, provided that neither the grantee nor any successor grantee of the mortgage is the seller of the Lot.

The recording of this Declaration shall constitute record notice of the existence of the lien and no further recordation of any claim of lien for assessment shall be required.

(iv) The rights of a Lot Owner and all persons entitled to occupy the Lot of such owner, to use the common elements shall be suspended for the period of time any amount due and owing to the Association in regard to any Lot owned by such owner shall remain unpaid; provided, however, that no such suspension shall deny any Lot Owner, or the occupants of any Lot, access to the Lot owned or occupied, nor cause any hazardous or unsanitary condition to exist.

(i) Fee for Statements of Amounts Due. The Association may require the payment of a fee, not to exceed Ten (\$10.00) Dollars as a prerequisite to its issuance of any statement pursuant to the Act or this Declaration.

ARTICLE IX

INSURANCE

Insurance (other than title insurance) which shall be obtained by the Association shall be governed by the following provisions:

(a) Types of Insurance. The Association shall obtain and maintain the following insurance policies:

(i) A multi-peril casualty insurance policy covering the common elements, providing as a minimum, fire and extended coverage, vandalism and malicious mischief, on a replacement cost basis in an amount not less than 100% of the full replacement cost of the common elements within the Community. The name of the insured under such casualty insurance policy shall be stated as follows: "Baron's Ridge Homeowner's Association, Inc. for the use and benefit of the individual Lot Owners in Baron's Ridge Subdivision, Union County, Georgia". The amount of coverage of such casualty insurance policy shall be readjusted by reappraisal or reevaluation of the insured property, not less frequently than once every five years. Such casualty insurance policy shall contain the standard mortgagee clause which shall be endorsed to provide that any proceeds shall be paid to the Association for the use and benefit of mortgagees as their interest may appear.

(ii) A comprehensive policy of public liability insurance covering all of the common elements. Such liability insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Lot Owner because of the negligent acts of the Association or other Lot Owners. Such liability insurance policy shall cover the Association, the Board of Directors, the officers of the Association, all agents and employees of the Association, and all unit owners and other person entitled to occupy any Lot or other portion of the Property, shall be for at least \$500,000.00 for injury including death to a single person, \$1,000,000.00 for injury or injuries, including death, arising out of a single occurrence and \$50,000.00 for property damage, with a cross liability endorsement to cover the Lot Owners as a group and shall include protection for damage to the property of others.

(iii) Such other insurance policies as the Board of Directors shall deem desirable for the benefit of the Association, its Officers and Directors or the Lot Owners.

(b) Minimum Qualifications of Insurance Carriers. Each policy of insurance which the Association is required to maintain under the provisions of this Declaration shall be written by a hazard insurance carrier which has a financial rating by Best's Insurance Reports of Class A:VI or better and which is licensed to transact business within the State of Georgia.

(c) Minimum Qualifications of Insurance Policies. All policies of insurance which the Association is required to maintain under the provisions of this Declaration shall (a) not allow contributions or assessments to be made against the owner of any Lot, or the holder of any mortgage upon any Lot, (b) not allow loss payments to be contingent upon any action by the insurance carrier's board of directors, policyholders, or members, (c) not include any limiting

clauses (other than insurance conditions) which could prevent any Lot Owner or the holder of any mortgage upon any unit from collecting insurance proceeds, and (d) contain or have attached a mortgage clause which provides that the insurance carrier shall notify in writing all holders of first lien mortgages on any of the units at least ten (10) days in advance of the effective date of any reduction, cancellation, or non-renewal of such policies.

In no event shall any recovery or payment under the insurance coverage obtained and maintained by the Association be affected or diminished by insurance purchased by individual Lot Owners or mortgagees, and no Lot Owner shall be entitled to exercise his right to maintain any additional insurance coverage in such a way as to decrease the amount which the Association may realize under any insurance policy which it may have in force on the Property at any particular time.

(d) Proceeds on Account of Damage to Common Elements. Insurance proceeds which shall be paid on account of damages to or destruction of any portion of the common elements shall be held by the Association in a construction fund, which shall be used for the purpose of repairing, reconstruction or rebuilding the portion of such common elements so damaged or destroyed, as provided in this Declaration. If it shall be determined in accordance with the provisions of this Declaration not to repair, reconstruct or rebuild the portion of the common elements so damaged or destroyed, then the insurance proceeds paid on account of the occurrence of such damage or destruction to such portion of common elements shall first be used to clean up and landscape the common elements as necessary in view of the fact that such part of the common elements is not to be repaired, reconstructed or rebuilt, and the remaining insurance proceeds shall be disbursed to the Lot Owners proportionately, such disbursement to be made payable jointly to the Lot Owners and their mortgagees. Notwithstanding anything contained in this Declaration, the Articles of Incorporation, the By-Laws, or the Act which may be construed to the contrary, in no event shall any insurance proceeds paid to the Association on account of the occurrence of any fire or other casualty be deemed to be common profits.

ARTICLE XI

DAMAGE TO OR DESTRUCTION OF COMMON ELEMENTS

Repair, reconstruction or rebuilding of the common elements following damage or destruction to all or any portion of the common elements shall be governed by the following provisions:

(a) Estimates of the cost of repair. As soon as practicable following the occurrence of any damage to, or destruction of any portion of the common elements, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring such portion of the common elements so damaged or destroyed to substantially the same condition as such portion of the common elements were in prior to the occurrence of such damage and destruction and shall proceed with the filing and adjustment of all claims arising under insurance maintained by the Association as a result of such damage or destruction.

(b) Determination to Repair, Reconstruct or Rebuild. Any damage to, or destruction of the common elements will be repaired, reconstructed, or rebuilt unless the owners of the Lots to which 75% of the votes in the Association are allocated shall determine within 45 days after the occurrence of the casualty not to repair, reconstruct, or rebuild the same.